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July 27, 2001

Honorable Philip N. Asprodites Commissioner of Conservation Department of Natural Resources Office of Conservation P. O. Box 94275 Baton Rouge, Louisiana 70804-9275

RE: APPLICATION FOR PUBLIC HEARING

FRIO Zone, Reservoir A FENRIS FIELD Evangeline Parish, Louisiana

Dear Sir:

KEY OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an order pertaining to the following matters relating to the FRIO Zone, Reservoir A, in the Fenris Field, Evangeline Parish, Louisiana:

- 1. To establish rules and regulations governing the exploration for and production of oil and gas from the FRIO Zone, Reservoir A.
- 2. To dissolve the "X" Sand, Sand Unit, currently designated as SU in the Office of Conservation Order No. 577, effective January 1, 1962 and the "S-2" Sand, Sand Unit, currently designated as SU in the Office of Conservation Order No. 577-A, effective January 1, 1962 and to simultaneously create a single drilling and production unit for the exploration and production of oil and gas from the FRIO Zone, Reservoir A, such unit being shown on the attached plat and being designated FRIO RA SUA being approximately 215 acres.
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
- 4. To designate Applicant as Operator of, and its Rayford G. Berzas, et ux No. 1 well, as the unit well for, the proposed unit.
- 5. To designate Applicant as Operator of, and its L. Guillory No. 1 well, as the alternate unit well for, the proposed unit.
- 6. To propose that all wells drilled in the future to the FRIO Zone outside of the unit proposed herein be located in accordance with the provisions of Statewide Order No. 29-E.
- 7. To provide that any future replacement and/or alternate unit well for FRIO RA SUA be exempt from the well location provisions of Statewide Order No. 29-E.
- 8. To provide that the Commissioner of Conservation may reclassify the reservoir by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.

- 9. To define the FRIO Zone, Reservoir A, in the Fenris Field, as that oil and gas bearing interval encountered between the electric log depths of 7,191 feet and 8,270 feet in the Key Operating Company Rayford G Berzas, et ux No. 1 Well, located in Section 33, Township 5 South, Range 1 West, Evangeline Parish, Louisiana.
- 10. To consider such other matters as may be pertinent.

The "X" Sand was previously defined as that oil and gas bearing interval encountered between the electric log depths of 8,038 feet and 8,045 feet in the J. P. Owen, Lee Roy Fontenot, et al No. 1 well located in Section 33, Township 5 South, Range 1 West, Evangeline Parish, Louisiana in the Office of Conservation Order No. 577, effective January 1, 1962. The "S-2" Sand was previously defined as that oil and gas bearing interval encountered between the electric log depths of 7,505 feet and 7,540 feet in the J. P. Owen, Lee Roy Fontenot, Unit 2, et al No. 1 well located in Section 34, Township 5 South, Range 1 West, Evangeline Parish, Louisiana in the Office of Conservation Order No. 577-A, effective January 1, 1962.

Pertinent data concerning this application is available for inspection at the office of Bryan S. Groves, 110 Oil Center Drive, Building 13, Lafayette, Louisiana 70503. Any person wishing to inspect such data should call Bryan S. Groves at (337) 233-8032 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

In compliance with the Revised Rules of Procedure, a pre-application conference was provided, but no request for a conference was received and therefore, none was held.

Attached hereto is a plat outlining Applicant's proposed unit, which plat is identical to that attached to the preapplication notice. Also attached hereto is a list of the names and addresses of all Interested Owners, Represented Parties and Interested parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list is being forwarded to the District Manager of the Lafayette District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. Applicant has made a reasonable effort to obtain a complete list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Fenris Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Office of Conservation in the amount of \$700.00 for the application fee.

Sincerely,

Bryan S. Groves

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Enclosures

CC: Mr. Richard Hudson (w/encl.)

Interested Owners, Represented Parties

Interested Parties (w/plat only)

